

Military Specifications (MILSPEC) Reform

Change is Underway in the Way We Write and Apply Standards Prescribing Management and Manufacturing Practices

WALTER B. "BRAD" BERGMANN II

The DoD is engaged in radical reform of the way it conducts its acquisition business. The timing for radical reform is not only right, but world events have made it essential. The end of the Cold War has had a dramatic impact on the DoD. Declining requirements and budgets are resulting in fewer purchases of defense-unique products. Between 1985 and 1995, our procurement accounts will have fallen by more than 60 percent from over \$100 billion to \$45 billion. In addition, the defense-unique industrial base on which the United States has historically relied is undergoing profound changes. The defense industry is restructuring, consolidating, and diversifying. In some cases, companies have left the industry entirely. The bottom line is that the DoD can no longer afford to rely solely or primarily on defense-unique capabilities.

New Policies and Strategies

The DoD is responding to its rapidly changing political and economic environment by developing new policies and strategies to make sure we equip our troops with weapon systems that are reliable, technologically advanced, and affordable. Our acquisition reform efforts are not just a noble endeavor — these efforts must succeed to ensure that we have the industrial and technological capabilities we need to meet current and projected national security requirements. Our goals are threefold:

- First, reduce the cost of the weapon systems and other materiel that we buy. We must eliminate military-unique requirements and procedures that drive up acquisition costs without adding value.
- Second, remove impediments to getting state-of-the-art technology into our weapon systems. While we drove technology developments for many years, this largely is no longer the case. For many leading-edge technologies critical to battlefield success — such as information systems, telecommunications, and microelectronics — the greatest advances are occurring in the commercial sector. This is because the bulk of the research and development money is now spent in the commercial sector. In 1965, for instance, the DoD and the commercial industrial sector spent approximately the same amount on research and development. By 1990, the industrial sector outspent the DoD by nearly two-to-one.
- Third, facilitate the diversification into commercial markets of firms that have traditionally produced goods primarily, if not solely, for Defense. To do this, we must enable firms to shed the overhead caused by our regulations so that they can competitively price their products.

What are the Reforms?

Secretary Perry directed that specifications and standards reform produce three results:

- establish a performance-based solicitation process;
- implement standardization document improvements; and
- create irreversible cultural change.

The Defense Standards Improvement Council, which I chair, oversees implementation of the Secretary's direction. The Council is composed of Senior Executives from each of the Military departments, the Defense Logistics Agency, and the Office of the Secretary of Defense. It meets twice a month to establish policy and procedures; review progress; review selected, high-impact documents; and direct actions necessary to ensure full implementation of the Secretary's direction. A brief discussion of the status of each of these challenges follows:

Performance-based Solicitation Process

A 1976 study by the Defense Science Board found that the single largest problem with MILSPECs was improper application. It recommended changes in the way we write and apply the standards that prescribe management and manufacturing practices. While many changes were made as a result of that study, nearly 20 years later, program offices still place standards on contracts with little effective tailoring and without clearly understanding why. Certainly, no one intentionally includes requirements that do not add value. But program offices, like many other offices, have more

Mr. Bergmann is the Director, Acquisition Practices, Office of the Assistant Secretary of Defense (Economic Security). He is responsible for providing policy and planning direction for DoD programs related to Commercial/Defense Industrial Base Integration, Standardization, Commercial and Nondevelopmental Item Acquisition.

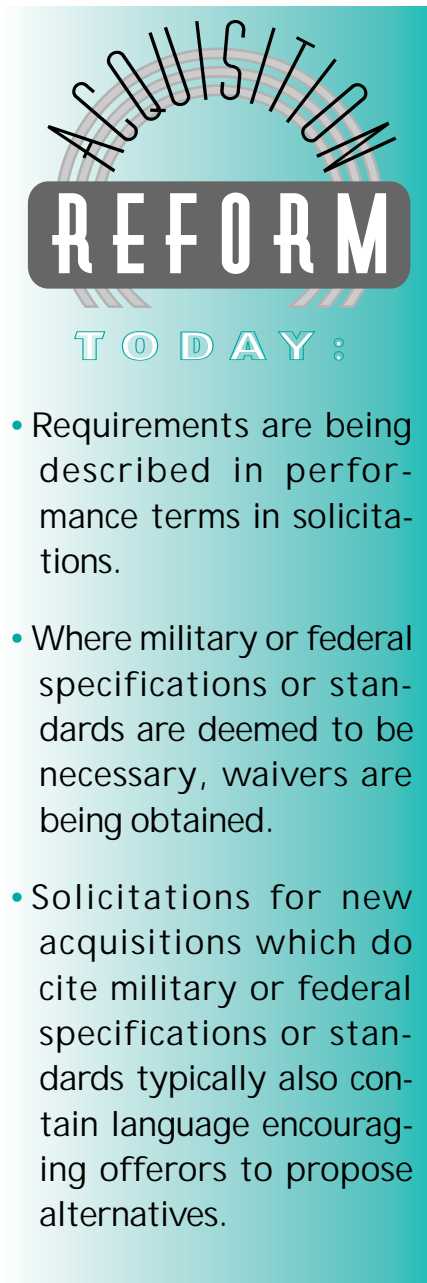
work than they can do. So they develop Requests for Procurement (RFP) at the photocopy machine – if it worked for the last contract, it will surely be good enough for this contract.

One of our first reform efforts was to break the paradigm of routinely imposing military specifications and standards. Even if we had a perfect set of specifications and standards, premature application, over-application, and inappropriate application would still be a problem. The Military departments have established procedures for “scrubbing” solicitations to ensure proper application of military specifications and standards. In one of the most controversial provisions of MIL-SPEC reform, program managers must now obtain a waiver to cite a military or federal specification or standard as a solicitation requirement in a major acquisition. While the waiver process has not been particularly popular, it has been effective at forcing people to stop, think, and identify their essential requirements. Our initial experience shows that often, program offices cannot explain why they impose specifications and standards. In some cases, only a sentence or two needs to be extracted from the document to achieve the real intent. And the change is beginning to yield results, shown in next column.

Document Improvement Process

There are many situations where MIL-SPECs will still be needed. But “business as usual” is being eradicated here too. The documents that will populate our index of specifications and standards in the future will bear little resemblance to those of the past.

With the largest library of specifications, standards, and related documents in the free world, making all of them conform to the new order is a daunting task. Department personnel are reviewing every military specification and standard to ensure that they support acquisition reform principles. The review is complex and full of different possible outcomes. However, we are involving users in the Military Depart-



- Requirements are being described in performance terms in solicitations.
- Where military or federal specifications or standards are deemed to be necessary, waivers are being obtained.
- Solicitations for new acquisitions which do cite military or federal specifications or standards typically also contain language encouraging offerors to propose alternatives.

ments and Defense Agencies, the DoD functional proponents, industry associations, and private-sector standards developing organizations to help us decide whether to: cancel a document; convert it to a performance-type document; replace it with a nongovernment standard; convert it to a guidance-type document; or retain it as is.

The review, of course, is labor-intensive, and will take until near the end of the year to complete. However, we have placed a priority on reviewing military standards before military specifications, and this review is nearly complete.

Our emphasis on military standards is for two reasons. First, there are only about 1,700 standards versus over 28,000 specifications. Second, they offer the best target for reducing weapon system cost. Many studies have concluded that standards have the greatest potential to incur the most non-value added cost by imposing excessive reporting and auditing requirements on industry. The DoD's use of these standards is one of the more significant barriers to commercial acquisition and integration of commercial and military production lines.

To date, the Defense Standards Improvement Council has made decisions on the top 100 cost-driver standards. Nearly half of these documents have been canceled or declared “inactive for new design.” Twenty percent of these documents will be converted to “for guidance only” handbooks or guides. Ten percent are being retained until an adequate nongovernment standard becomes available. Most of the remaining documents will be converted to a performance-type document.

Ultimately, the Defense Standards Improvement Council will decide the future of all existing military standards. While the review of the remaining 1,600 standards will not be as intense as that given the top 100, each of the Standards Improvement Executives is reviewing the standards for which they are responsible, with an eye toward elimination or replacement with a nongovernment standard.

The Council has already directed the cancellation of about 150 of the remaining standards, and the proposed cancellations are being advertised now in the *Commerce Business Daily* and on the World Wide Web for government and industry reaction.

Irreversible Cultural Change

A key to cultural change is effective communication. It really doesn't matter if we come up with all of the answers, if no one knows about them;

and admonitions to do things differently don't work unless people are given new tools.

The Acquisition Streamlining and Standardization Information System or ASSIST is an automated management tool capable of providing a complete index of specifications and standards used by the DoD and who is responsible for each; document tiering information; cancellation and replacement information; and much more. It will soon include an automated search standardization directory, so you can easily identify activities that are responsible for commodities or technology areas. We're also incorporating all of the questionnaire responses from the review of all documents, so you can get a feel for our direction. Planned incorporation of a project tracking system will let you know what action is being taken and the milestone dates.

We have also established a Homepage on the Internet that you can reach using browser software to access the World Wide Web. Our Homepage URL is: <http://www.acq.osd.mil//es/std/stdhome.html>. We also have a toll-free number for complex inquiries: 1-800-DAR-SPEC (1-800-327-7732).

The information on our Homepage is constantly expanding. Some material posted there includes: all of our policy memorandums; the Standardization Newsletter; status reports on Council decisions affecting selected specifications and standards; and answers to the most frequently asked questions on MILSPEC reform. We're also providing links to the related Homepages of the Military departments and Defense Agencies as they become available. We update the information at least every 2 weeks. That, in a nutshell, is where we are. Now some food for thought.

Nongovernment Standards Development

Many of our reinvention efforts are devoted to looking at alternatives to military standards in subject areas

ranging from systems engineering to configuration management to software to drawings. While I encourage these and other efforts, let me offer a little caution.

Our goal is not to merely transition from military and federal documents to nongovernment standards. Our goal is to reduce acquisition costs and remove impediments to commercial-military integration by emulating commercial buying practices wherever possible. Adopting "true" nongovernment standards is a means to that end. To take a document that is obviously military-unique and slap a nongovernment standard label on it undermines everything we're trying to do. The acid test for whether it's appropriate to replace a military document with a nongovernment standard is whether the replacement standard will actually be used by commercial industry. If the answer is no, then a replacement document is pointless and contrary to what we are trying to achieve.

A second point is that we are noticing competing standards-developing organizations developing duplicative nongovernment standards. This is becoming especially visible now as standards developers seek to replace military specifications and standards with their documents. Neither the DoD or industry has enough resources to waste on redundant efforts.

Reaping the Benefits of MILSPEC Reform

The Defense Contract Management Command (DCMC) and the Defense Contract Audit Agency (DCAA) have established a DoD Reinvention Laboratory aimed at reducing the cost of government oversight. Currently, there are 10 contractors participating in the laboratory, and there are plans to expand to more contractors.

The Reinvention Laboratory provides contractors the opportunity to propose alternatives to, or the elimination of, contract or regulatory requirements. At each site, Reinvention Teams made up of both contractor and gov-

ernment personnel are chartered to review requirements and operations, and propose alternatives. Also, at each site a Management Council is established to evaluate reinvention strategies, review proposals, authorize changes within local or program discretion, and recommend up-the-chain alternative proposals for approval. Each Management Council is comprised of the DCMC District Commander, the Defense Plant Representatives Office Commander, the Regional DCAA Manager, the resident DCAA auditor, the Program Managers and Program Executive Officers doing business with the facility, and top-level contractor representatives.

The Reinvention Laboratory concept provides an excellent forum for recommending elimination or substitution of military specifications and standards. All the major ingredients are together: a council of senior customers and DCMC, which meets to address changes, and a council that can look at individual contract requirements or contract requirements across a factory.

What's intriguing, however, is how few proposals have been submitted within the Reinvention Laboratory regarding specifications and standards. Although the Defense Standards Improvement Council has taken action to eliminate more than 50 documents, which industry asserted added cost without adding value, the only standards that are consistently raised in the Reinvention Lab are on quality and soldering.

It's time for industry to start putting solid recommendations on the table. The environment is right for change. We [Department of Defense professional acquisition workforce] understand industry's concerns and have taken action to eliminate long-standing problems. We also understand, however, that many companies can be as conservative about change as the DoD. However, it's time for industry to propose specific alternatives to military specifications and standards. Our joint credibility is on the line.